INTRODUCTION

Pursuant to the Code of the City of Wichita, Kansas, any portion of the retirement funds not needed for immediate benefit payments shall be invested and reinvested through a joint investment fund comprised of assets of the Wichita Employees' and Police & Fire Retirement Systems (Systems).

Rule 1, Section 11 of the Wichita Employees' Retirement System and Rule 1, Section 10 of the Police & Fire Retirement System establish a Joint Investment Committee (Committee) to manage the assets of both Retirement Systems. The Committee is comprised of eleven (11) members as follows: (a) Presidents of both Boards; (b) two elected members from each Board; (c) two City Council appointees from each Board; and (d) a City Manager designee.

The Committee shall recommend to both Boards (for their approval) an asset allocation plan, investment policies, a common investment advisor, and actuary. The Committee shall be solely responsible for the retention and termination of investment managers and the custodial bank.

The Strategic Plan and Investment Policies have been prepared for the purpose of providing the members of the Wichita Employees' and Police & Fire Retirement Systems, investment managers, investment advisor, and other interested persons an understanding of the Committee's investment decision process.

The Strategic Plan and Investment Policies set forth, in detail, the specific asset allocation, manager structure, rebalancing, restrictions, and other policies the Committee will utilize in its management of the consolidated investment portfolio.

Individuals are urged to call the Pension Management Office at (316) 268-4544 for information regarding the operation of the Committee's investment program.

STRATEGIC PLAN

The assets of the Wichita Employees' and Police & Fire Retirement Funds (Fund) are to be invested in a diversified mix of domestic and international equities, domestic and international fixed income securities, and cash equivalents. This Strategic Plan will be reviewed by both the Wichita Employees' and Police & Fire Retirement Boards (Boards) at least every three (3) years in conjunction with recommendations made by the Joint Investment Committee (Committee).

Asset Allocation. The Boards shall establish the overall strategic asset allocation policy based upon the financial needs of the Fund and the Boards' tolerance for volatility, or risk. On a market-value basis, this asset allocation policy has been determined to be:

	Target	Range
Domestic Equity	47%	42-52%
International Equity	20%	17-23%
Domestic Fixed Income	28%	24-32%
Real Estate	5%	0–7%
Cash	0%	0-2%

Manager Structure. To ensure prudent diversification, the Boards will employ a multiple manager structure, which includes complementary styles within asset classes. Those asset classes having a single manager will employ a "Core" style. Pursuant to the Boards' Asset Allocation Plan, the target and range allocations for each asset class are as follows:

Domestic Equity	Target	Range
Large Cap Passive	11.2%	8-14%
Large/Mid Cap Growth	13.2%	10-16%
Large/Mid Cap Value	13.2%	10-16%
Small/Mid Cap Growth	4.7%	3-8%
Small/Mid Cap Value	4.7%	3-8%
International Equity		
Active Core	8.0%	6-10%
Active Core Plus	12.0%	10-14%
Domestic Fixed Income		
Passive Core	11.2%	8-14%
Active Core	16.8%	14-20%
Real Estate		
Core	3%	2-5%
Value Added	2%	1-3%
Total	100.0%	

(See Attachment #1)

Rebalancing. As indicated in the Strategic Plan and Manager Structure sections above, the percentage allocation to each asset class and each manager style may vary from target, depending on market conditions. The Committee will review the actual asset allocation percentages quarterly to determine if any of the investment managers are outside of the determined ranges.

If the Committee determines that cash flows are insufficient to bring the asset allocation back to target within a reasonable period of time (no more than three (3) months), the Committee shall decide whether to bring the asset allocation within the threshold ranges by instructing one (1) or more of the Committee's investment managers to sell securities in the required amounts.

If there is a manager(s) outside of the determined ranges, the Committee may rebalance the portfolio. The Boards will be notified of the rebalancing at their next scheduled Board meeting. Rebalancing shall be accomplished in one of the following ways:

1. Rebalance all managers to their target percentage.

2. If a manager's percentage allocation exceeds the maximum, the Committee shall reallocate to the manager(s) who is (are) most under weighted in relation to target, absent overriding considerations.

3. If a manager's percentage allocation is less than the minimum, the Committee shall reallocate from the manager(s) who is (are) most over weighted in relation to target, absent overriding considerations.

When available, cash inflows and outflows will be used to rebalance back to the target asset allocation guidelines, in order to preserve the Boards' risk tolerance, as reflected by the long-term expected risk and return characteristics associated with the target asset allocation guidelines.

The Committee recognizes that the Fund may become unbalanced when a new asset class or manager style is added or a manager is replaced. Concurrent with such an event, the Committee will establish the method of funding, which, on an interim basis, may override the above rebalancing procedures.

STATEMENT OF INVESTMENT POLICY

This Statement, in conjunction with the Strategic Plan, sets forth the investment objectives, policies, and guidelines of the Fund as adopted by each Fund's Board of Trustees.

The assets of the Fund shall be managed solely in the interest of each System's participants and beneficiaries. Investments shall at all times be in full compliance with all applicable laws and shall satisfy the requirements of the Department of Labor "Prudence Regulation" (29 CFR§2550.404(a)-1). The City of Wichita has delegated the authority to manage the investment program to the Boards.

The duties of the Boards include, but are not limited to, approving the asset allocation plan and investment policy contained in the Strategic Plan; hiring, firing, monitoring, and evaluating the investment advisor, actuary, and other professional advisors; negotiating investment advisor, actuary, and other professional advisor fees; and general oversight of the prudent management of Fund assets.

The duties of the Joint Investment Committee include, but are not limited to, making recommendations to the Boards on an asset allocation plan; an investment policy; the hiring of a common investment advisor and actuary; the quarterly and annual performance review of the investment portfolio; and the sole authority to retain and terminate investment managers and custodial bank.

The Boards do not intend to become involved in day-to-day investment decisions. Rather, Fund assets will be allocated to professional investment managers. It is the policy of the Boards to give each investment manager full investment discretion with respect to assets under its management subject to these guidelines and attachments.

Each investment manager shall acknowledge in writing the receipt of this Statement and the acceptance of its terms. If an investment manager believes at any time that any changes, additions, or deletions to this Statement are advisable, it shall be the Investment Manager's responsibility to recommend such changes to the Boards.

An investment manager shall be responsible only for those assets under its management and shall not aggregate such assets together with the assets under the management of any other investment manager in determining whether a particular guideline or limitation has been met.

GOAL OF THE FUND

The goal of the Fund is to ensure sufficient resources to meet or exceed benefit obligations.

OBJECTIVES OF THE FUND

The related investment objectives are, first, to preserve and, second, to increase the capital value of the Fund. In pursuing these objectives, the Boards will endeavor to earn the maximum total return on assets consistent with maintaining a prudent level of risk. The Boards expect the Fund's overall returns to be less volatile than the relevant market indices.

MINIMUM INVESTMENT MANAGER REQUIREMENTS

The following minimum standards are set for investment managers:

1. The investment management firm must have $500 million or more under management;
2. The investment management firm must have five (5) years of performance history;
3. The Fund's portfolio with the investment manager shall not constitute more than ten percent (10%) of the investment manager's total portfolio.

POLICY

<u>Restrictions</u>. Unless otherwise approved in writing by the Boards, no investment shall be made in:

1. Equity real estate;
2. Mortgages secured by real estate, except insured mortgages under Titles 203, 207, 220, and 221 of the Federal Housing Act;
3. Oil and gas leases or royalties;
4. Commodities (including but not limited to wheat, gold, gasoline, options, or financial futures);
5. Letter stocks;
6. Private placements exceeding ten percent (10%) of a manager's portfolio.

Provided, however, that the restrictions on investments contained in this Paragraph shall not apply to funds which are invested in a mutual fund, separate account, or commingled fund operated by a qualified investment manager or insurance company for the purpose of making international investments, or an index fund.

The Committee recognizes that when it is in the best interest of the Fund to invest in a commingled vehicle (i.e. collective fund or mutual fund), it is not possible to dictate specific prohibitions. Therefore, it shall be the duty of the investment manager of such commingled fund to report to the Committee on a periodic basis the extent to which the investment strategies differ from the Boards' investment policies. Periodically, the Committee will review the differences and determine if the commingled fund remains in the best interest of the Fund.

The proportion of all non-U.S. assets shall not exceed twenty-five percent (25%) of the Total Fund.

"Domestic managers" shall make no investment in a "foreign security" as defined below unless the foreign security is offered and sold pursuant to a registered offering under the United States Securities Exchange Act of 1934 (the "1934 Act") and is traded on a national securities exchange registered under the 1934 Act. For purposes of this restriction, the term "foreign security" refers to an issue of an entity, which is not organized under the laws of the United States and does not have its principal place of business within the United States. Specifically exempt from this limitation on investing in a "foreign security" are American Depository Receipts, American Depository Shares, and Canadian issues.

Domestic Equities (Active). Domestic equity managers have full discretion over the equity issues selected, but will comply with the following guidelines:

1. At the time of purchase, no holding should exceed five percent (5%) of the manager's fund, valued at market;

2. At the time of purchase, no holding should exceed five percent (5%) of the issue outstanding;

3. Equity managers may include fixed income securities in the portfolio, but the investment results of the Fund will be compared to equity-oriented portfolios;

4. Equity managers are expected to hold a minimum of ninety percent (90%) and a maximum of one hundred percent (100%) in equity securities. Convertible securities will be considered as equity holdings for the purpose of this computation. Should a manager determine that the percentage held in cash should be greater than ten percent (10%), an exception may be allowed with prior notice from the manager explaining the reason and duration for the exception.

Domestic Equities (Passive). Domestic equity index managers have full discretion over the equity issues selected, but will comply with the following guidelines:

1. Issues selected for investment shall be included in the Standard & Poors 500 (S&P 500) Index;

2. Equity index managers may use either full replication methodology or random sampling techniques as long as the Index Fund's average annual "tracking error" (i.e., variance from benchmark) is less than ten (10) basis points;

3. Equity index managers may use S&P 500 futures contracts to "equitize" cash so as to minimize annual tracking error;

4. Equity index managers may engage in securities lending within the Index Fund on the conditions that: (a) The manager's securities lending policies are conservative; (b) the manager does not invest in derivative securities within the Cash Collateral Reinvestment Fund; and (c) the manager delivers a copy of its securities lending policies, as amended from time to time, to the Pension Management Office.

International Equities—Active Core. Core international equity managers have full discretion over the equity issues selected, but will comply with the following guidelines:

1. The benchmark for portfolio-construction and performance-measurement purposes is the MSCI EAFE Index;

2. Short-term reserves may be held in either non-U.S. or U.S.-denominated obligations, provided such instruments have a maturity of one (1) year or less;

3. The primary emphasis of Active Core managers is to be on marketable securities issued by companies listed on the stock exchanges of the countries contained in the MSCI EAFE Index. Up to ten percent (10%) of the manager's portfolio (at time of purchase) may be invested in countries not included in the Morgan Stanley Capital International EAFE (Europe, Asia, and Far East) Index;

4. Decisions as to the number of issues held and geographic distribution shall be left to the investment manager, providing that any and all holdings in any one company do not exceed five percent (5%) of the manager's fund at the time of purchase;

5. Managers may enter into forward exchange or future contracts on foreign currency provided such contracts have a maturity of less than one (1) year. Currency contracts are only to be used for settlement of securities transactions and defensive hedging of currency positions;

6. Core non-U.S. equity managers are expected to hold a minimum of ninety percent (90%) and a maximum of one hundred percent (100%) in equity securities. Convertible securities will be considered as equity holdings for the purpose of this computation. Should a manager determine that the percentage held in cash should be greater than ten percent (10%), an exception may be allowed with prior notice from the manager explaining the reason and duration for the exception.

International Equities—Active Core Plus. Active Core Plus managers have full discretion over the equity issues selected, but will comply with the following guidelines:

1. The benchmark for portfolio-construction and performance-measurement purposes is the MSCI ACWI (ex-U.S.) Index;

2. The primary emphasis of Active Core Plus managers is to be on marketable securities issued by companies listed on the stock exchanges of the countries contained in the MSCI ACWI (ex-U.S.) Index;

3. Country allocation decisions and individual security decisions shall be left to the manager, providing that any and all holdings in any one company do not exceed five percent (5%) of the manager's fund at the time of purchase. It is preferred that Emerging markets shall be not less than fifty percent (50%) nor more than one hundred and fifty percent (150%) of the benchmark weighting assigned to the Emerging Markets (Free) component of the MSCI ACWI (ex-U.S.) Index;

4. The manager is expected to invest a minimum of ninety percent (90%) and a maximum of one hundred percent (100%) in equity securities. Convertible securities will be considered as equity holdings for the purpose of this computation. Should a manager determine that the percentage held in cash should be greater than ten percent (10%), an exception may be allowed with prior notice from the manager explaining the reason and duration for the exception;

5. Short-term reserves may be held either in U.S. dollar or non-dollar obligations, provided such investments have a maturity of one (1) year or less;

6. With respect to the securities of companies listed on the stock exchanges of countries contained in the MSCI EAFE Index, managers may enter into forward exchange or future contracts on foreign currency provided such contracts have a maturity of less than one (1) year. Currency contracts are only to be used for settlement of securities transactions and defensive hedging of currency positions.

International Equities - Emerging Markets. (These guidelines apply to the emerging market portion of portfolios managed by Active Core and Active Core Plus managers. They also would apply to any Emerging Market specialists.)

Managers of emerging market securities have full discretion over the issues selected, but will comply with the following guidelines:

1. Emerging markets managers will invest in the equity securities of issuers domiciled in emerging markets, as defined by the countries contained in the MSCI Emerging Markets Equity (Free) Index;

2. Country allocation decisions and individual security decisions shall be left to the manager, providing that any and all holdings in any one company do not exceed five percent (5%) of the manager’s fund at the time of purchase. To minimize rate-of-return volatility, it is expected that the manager will broadly diversify across many emerging markets, as opposed to concentrating investments in a relatively few number of emerging markets;

3. The manager is expected to invest a minimum of ninety percent (90%) and a maximum of one hundred percent (100%) in equity securities. Convertible securities will be considered as equity holdings for the purpose of this computation. Should a manager determine that the percentage held in cash should be greater than ten percent (10%), an exception may be allowed with prior notice from the manager explaining the reason and duration for the exception;

4. Short-term reserves may be held either in U.S. dollar or non-dollar obligations, provided such investments have a maturity of one (1) year or less;

5. With respect to emerging market investments, managers are discouraged from implementing currency-hedging strategies, due to the difficulty of finding cost-effective and “true” hedges for the local currencies in which emerging market securities are denominated.

Domestic Fixed Income (Active). Domestic fixed income managers have full discretion over the issues selected, but will comply with the following guidelines:

1. No purchase shall be made which would cause the holding of any one issuer, excluding the U.S. Government and agencies of, or guaranteed by, the U.S. Government, to exceed five percent (5%) of the manager's fund valued at market;

2. At the time of purchase, no holding should exceed five percent (5%) of the issue outstanding, with the exception of corporate securities with sinking funds;

3. At the time of purchase, bonds and preferred stocks must be rated at least “A” (Moody's or Standard & Poor's);

4. Fixed income managers may hold any mix of fixed income securities and cash equivalents. However, portfolio duration must be not less than eighty percent (80%) nor more than one hundred twenty percent (120%) of the duration of the Lehman Brothers Aggregate Bond Index unless the Committee prospectively grants an exemption in writing.

Domestic Fixed Income (Passive). Domestic bond index managers have full discretion over the fixed income securities selected, but will comply with the following guidelines:

1. Issues selected for investment shall be included in the Lehman Brothers Aggregate Bond Index;

2. Bond index managers can use either full replication methodology or random sampling techniques, as long as the Index Fund’s average annual “tracking error” (i.e. variance from benchmark) is less than ten (10) basis points;

3. Bond index managers may use bond index futures contracts to quickly invest excess cash balances so as to minimize annual tracking error;

4. Bond index managers may engage in securities lending within the Index Fund on the conditions that: (a) The manager's securities lending policies are conservative; (b) the manager does not invest in derivative securities within the Cash Collateral Reinvestment Fund; and (c) the manager delivers a copy of its securities lending policies, as amended from time to time, to the Pension Management Office.

International Fixed Income.

1. Short-term reserves may be held in either non-U.S. or U.S.-denominated obligations, provided such instruments have a maturity of one (1) year or less;

2. Fixed income securities with a maturity greater than one (1) year shall be non-U.S. dollar denominated;

3. Decisions as to the number of issues held and geographic distribution shall be left to the investment manager, providing that no more than three percent (3%) of the manager's fund shall be invested in the obligations of any single non-governmental issuer at the time of purchase;

4. Managers may enter into forward exchange or future contracts on foreign currency, provided such contracts have a maturity of less than one (1) year. Currency contracts are only to be used for settlement of securities transactions and defensive hedging of currency positions.

Real Estate.
Retirement System investments in equity real estate are allowable as long as the total investment in real estate does not exceed 10 percent of the market value of total Retirement System assets. Investments may only be made in open-ended commingled funds managed by 1940-Act Registered Investment Advisors or in separate (commingled) accounts managed by insurance companies. Investments in closed-ended commingled accounts or in separately managed portfolios are not permissible.

Focus shall be on commingled funds or insurance company separate (commingled) accounts that seek broad domestic diversification with respect to property types and geography. Emphasis shall be on "core" investments in existing, income-producing properties that are substantially leased. Leveraged investments are acceptable as long as total portfolio leverage is less than 40 percent. Investments also can be made in "value added" real estate opportunities that use re-leasing, re-positioning, or re-development strategies to generate higher levels of capital appreciation than is normally associated with core investments. Investments in "opportunistic" real estate (such as real estate leveraged at 65 percent or greater, mezzanine debt, and distressed real estate) are not permissible.

Domestic Cash Equivalents & Short-Term Investments (STIF). The investment policy guidelines for short-term investments shall be applicable to all functions involving the investment of cash balances (idle and temporary investment manager cash balances) and securities lending cash collateral. Domestic managers and lending agents shall have full discretion over the cash equivalent issues selected, but will comply with the following guidelines:

1. Issues of the U.S. Government and agencies of, or guaranteed by, the U.S. Government - No limitations;
2. At the time of purchase, not more than five percent (5%) of a manager's fund valued at market or $1 million, whichever is greater, shall be invested in commercial paper of a single issuer. A money market fund, short-term group trust, or a bank custodian's short-term investment fund shall not be a single issuer for purposes of the above restriction. No issue shall be purchased which has a rating of less than "A-1" (Standard & Poor's) or "P-1" (Moody's).

Exceptions to these investment policies shall be brought to the attention of the Pension Manager and Investment Advisor for review and approval of the Boards.

The primary investment objectives of the Fund's short-term (STIF) investments shall be the preservation of principal and the achievement of consistent and competitive yields. The Fund's intent is to meet these objectives during all types of market conditions by emphasizing diversification of investment instruments, maturities, and issuers; and by maintaining investment-grade quality.

A stable Net Asset Value (NAV) objective is of paramount importance. SEC Rule 2a-7 under the Investment Company Act of 1940 shall be applied in the management of interest rate risk, even if the specific investment vehicles or bank STIF fund used by the investment managers are not governed by SEC Rule 2a-7.

In addition, the Comptroller of the Currency Regulation 9 shall be established for the basic structure of a STIF fund including all requirements to be in compliance.

Investment managers retained by the Committee shall identify the specific STIF fund they intend to use for the investment of idle and temporary cash balances. Similarly, the Committee's securities lending agent shall identify the specific fund it intends to use for the re-investment of securities lending cash collateral. Full disclosure of the items listed below is mandatory, and shall be evaluated by the Pension Manager and Investment Advisor and approved by the Committee. The disclosure statements shall be filed with their acknowledgment of the Boards' investment policies. The disclosure items are as follows:

Eligible Investments	Credit Quality
Exposure Limits/Diversification	Maturity, Duration, and Liquidity
Floating (Adjustable) Rate Note Policy	Derivatives Policy and Restrictions.

Short-Term (STIF) Derivatives & Restrictions. The Boards acknowledge that certain derivative securities (i.e. securities that derive their value from an underlying asset, reference rate, or index) may be purchased from time to time by their short-term manager or lending agent. Although the Boards desire to grant full discretion subject to the policies described above, the Boards further desire to discourage their short-term manager or lending agent from "reaching for yield" by taking the risks associated with certain floating-rate instruments, structured notes, and other collateralized mortgage obligation (CMO) products.

Accordingly, it is the policy of the Boards to prohibit investments in STIF funds or securities lending cash collateral reinvestment pools that invest in "interest rate anticipation" derivatives such as the following, all of which have been deemed inappropriate for money market mutual funds by the SEC in a bulletin issued in May of 1994:

Inverse Floaters and Leveraged Floaters - Securities with interest rate reset provisions based on a formula that magnifies changes in interest rates;

Constant Maturity Treasury (CMT) Floaters - Securities with interest rate reset provisions tied to long-term interest rates so that a change in the slope of the yield curve could result in the value of the instrument falling below par;

Capped Floaters, Range Floaters, and Indexed Amortizing Notes - Securities on which interest is not paid above a certain level, or that cease to pay any interest when a certain level is reached;

Dual Index Floaters - Securities with interest rate reset provisions tied to more than one (1) index so that a change in the relationship between these indexes may result in the value of the instrument falling below par;

COFI (Eleventh District Cost of Funds Index) Floaters and Prime Floaters - Securities with interest rates tied to an index that materially lags short-term interest rates.

Securities Lending. In addition to the aforementioned policies and guidelines applicable to cash collateral management emanating from securities lending, the following securities lending policies and guidelines shall be followed:

1. It is the policy of the Systems that revenue generated from securities lending should not be a driving force behind the lending agent's policy formulation. Rather, the lending agent shall focus on the management of risk and the consistent application of investment prudence across functions essential for the safety and success of the Securities Lending Program. Although the lending agent (currently the Fund's Custodian Bank) operates within an agency relationship for securities lending, investment discretion shall be provided for the benefit of the Fund and within prudent guidelines;

2. The investment objective of the Securities Lending Program is to generate optimal incremental income within a high-quality investment program that safeguards the return of principal, maintains adequate daily liquidity, ensures diversification, and tightly controls exposure to fluctuating interest rates;

3. The securities lending process shall be transparent to the Fund's investment managers. The lending agent shall perform "Marking to market" daily and the required collateral shall be maintained diligently;

4. Securities lending reports shall be provided monthly by the lending agent to the Pension Management Office. Such reports shall provide details of the investment instruments utilized and the appropriate breakdown of revenue;

5. The asset/liability management of loans and investments (gap management) shall be performed consistently and with the proper application of prudence. The lending agent shall report the duration of loans and assets (gap positions) on a monthly basis;

6. The lending agent shall perform ongoing credit analysis of broker (borrowers) and establish concentration limits. Broker default indemnification provided by the lending agent shall not relieve the lending agent from the responsibility for conducting ongoing credit review.

Measurement Standards . Both the Total Fund and individual investment managers' performance will be measured on a regular, periodic basis. Returns are defined in these objectives as income received plus realized and unrealized gains and losses.

On an ongoing basis, Total Fund returns will be compared to a blended index composed of market indices weighted to the applicable asset class median. At the present time, this blended index is thirty-eight percent (38%) S&P 500 Stock Index, nine percent (9%) Russell 2000 Index, twenty percent (20%) Morgan Stanley Capital International All Country World, except U.S. Index, twenty-eight percent (28%) Lehman Brothers Aggregate Bond Index, and five percent (5%) NCREIF Property Index. **(Over the long-term (i.e. a market cycle, or periods greater than five (5) years), the Total Fund should achieve an annualized real rate of return of four and one-half percent (4.5%) above the Consumer Price Index of Urban Wage Earners and Clerical Workers ("CPI-U").)**

Each equity and fixed income manager's total fund return on a time-weighted basis will be compared to a universe of managers employing a similar investment style. The Boards expect performance relative to a manager's style to be above median in three (3) of five (5) calendar years, and to be at or above the 40th percentile over rolling five-year periods. (On a scale of 1-100, 1 is best). Over the long-term (i.e. a market cycle, or periods greater than five (5) years), each manager's performance will be compared to a relevant market index which is widely recognized and institutionally followed. (Current indices are on Attachment #2.)

While it is the Committee's intention to maintain long-standing relationships with its managers, from time to time it may be necessary to terminate a relationship. While any of several factors could result in such an action, the Committee has identified four (4) items, which may result in termination absent the existence of overriding factors for retaining the manager. These four (4) factors are as follows:

1. A significant change in the structure, management style, or personnel of the organization;

2. A lack of confidence that the manager can produce acceptable results in the future;

3. Failure to achieve performance results which fall at or above the 40th percentile over rolling five-year periods ended December 31 within the manager's style group;

4. Failure to deliver above median returns relative to the manager's style group for three (3) of five (5) calendar years.

Each manager shall be compared to a style group, which is mutually agreeable to the Committee and the manager. The relevant comparative group and index agreed between the Committee and each manager will be specified in writing as an addendum to the Investment Management Contract.

Proxy Voting. The Boards assign responsibility for voting the proxies of their share holdings to the respective investment managers. The following guidelines will apply when voting on any and all proxy matters:

1. The Custodial Bank will forward all proxy-related materials to the appropriate investment managers for their action;

2. It is the Investment Manager's responsibility in all cases to vote proxies in the best interest of the Fund's participants and beneficiaries;

3. Each investment manager will report quarterly in writing to the Pension Management Office on its proxy voting record for the prior period.

Investment Manager Communications. The Committee wants to maintain good communications between itself and its investment managers. To that end, the Committee requires that investment managers provide periodic updates concerning their respective portfolios and other important investment issues. The following guidelines apply to these communications:

1. Each investment manager will, on a monthly basis, provide the Committee with a written report of the cost and sale price of all securities bought or sold during the month;

2. Each investment manager will, on a quarterly basis, provide the Committee with a written report showing current holdings as well as the book value and market value on each security and on the total portfolio. The report will list equity securities by S&P sector; debt instruments will be listed by type. Purchases, sales, fees, expenses, and income will also be listed;

The above referenced reports shall be formatted in accordance with Attachment #3. Said attachment shall be developed, modified and adopted by the Joint Investment Committee.

3. Following the end of each calendar year, each investment manager shall review investment commitments made by it on behalf of the Fund during the preceding year and, within thirty

(30) days after the calendar year, shall advise the Committee in writing either that all of such investment commitments were consistent with these policies, or shall describe the extent of any inconsistency. At least every three (3) years this Policy Statement will be reviewed by the Boards;

4. Each investment manager will be available to attend one (1) Committee meeting annually or more frequently at the Committee's request, at the manager's expense, to update the Committee on its portfolio and other issues of mutual interest;

5. Each investment manager will communicate, in writing, changes in its senior management, portfolio management, and securities analysis positions reported in the ADV Form;

6. In the event the investment manager is outside of the investment guidelines, the investment manager must advise the Committee, in writing, within three (3) business days.

Investment Measurement Service. A qualified investment measurement service will be retained by the Boards to review the progress of the Fund and investment managers in attaining the goals and objectives outlined herein. The measurement service will:

1. Compare asset allocations to ranges; compare asset class and manager performance to appropriate indices and benchmarks;

2. Monitor the Fund and manager compliance with policies;

3. Apprise the Committee of pertinent trends and market conditions which may warrant the Committee's attention.

NOTE: This Policy was adopted by the Wichita Employees' and Police & Fire Retirement Boards in March 2004.

DEFINITIONS OF STYLE GROUPS (Attachment #1)

Domestic Equity

Growth - Managers who invest in companies that are expected to have above-average prospects for long-term growth in earnings and profitability.

Passive - Managers having a diversified portfolio which mimics the overall performance of the S&P 500 Index utilizing either full replication methodology or random sampling techniques.

Small Capitalization - Managers invest in companies with market capitalizations, on average, of $1 billion or less.

Value - Managers who invest in companies believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.

Domestic Fixed Income

Active Duration - Managers who employ either interest rate anticipation or business cycle timing. Portfolios are actively managed so that wide changes in duration are made in anticipation of interest rate changes and/or business cycle movements.

Core Bond - Managers who construct portfolios to approximate the investment results of the Lehman Brothers Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector or issue selection.

Passive - Managers having a diversified portfolio which mimics the overall performance of the Lehman Brothers Aggregate Bond Index utilizing either full replication methodology or random sampling techniques.

International Equity

Core - Managers whose portfolio characteristics are similar to that of an index such as the EAFE, with the objective of adding value over and above the index, typically from stock selection and/or changes in country allocation.

Emerging Markets - Managers who invest in equity securities of issuers domiciled in emerging markets, as defined by the countries contained in the Morgan Stanley Capital International Emerging Markets Equity (Free) Index.

Active Core Plus – Managers whose portfolio characteristics are similar to that of the MSCI ACWI (ex-U.S.) Index, with the objective of adding value over and above the index, typically from stock selection and/or changes in country allocation.

International Fixed Income

Non-U.S. managers who manage "core" portfolios and invest their assets only in non-U.S. fixed income securities. These managers seek to add value in relation to a broad index such as the Salomon Brothers World Government Non-U.S. Bond Index by taking advantage of international currency and interest rate movements and through country and issue selection.

DEFINITIONS OF STYLE GROUPS (Attachment #1) - continued

Real Estate

Core - Managers whose portfolios primarily consist of existing, income-producing properties that are substantially leased. These managers typically construct broadly diversified portfolios that include office buildings, retail properties, industrial properties, and apartments.

Value Added: Managers that use re-leasing, re-positioning, and/or re-development strategies to generate greater levels of capital appreciation than is normally associated with core real estate investments.

INVESTMENT MANAGER AND BENCHMARK (Attachment #2)

Fred Alger Management	S&P 500 Index
Capital Guardian Trust	S&P 500 Index
INVESCO (NAM) (*formerly National Asset Management*)	S&P 500 Index
State Street Global Advisors	S&P 500 Index
Institutional Capital	S&P 500 Index
Boston Partners Asset Management, L.P.	Russell 2000 Value Index
ING Investment Management (formerly Aeltus ING Investment Management)..........	Russell 2000 Growth Index
State Street Global Advisors	Lehman Bros. Aggregate Bond Index
Richmond Capital	Lehman Bros. Aggregate Bond Index
Capital Guardian Trust	MSCI EAFE Index
Delaware International Advisers LTD	MSCI ACWI (ex-U.S.) Index
Alliance Capital Management	Salomon Bros. World Govt. Non-US Bond Index
RREEF	NCREIF Property Index

PERIODIC INVESTMENT MANAGER REPORTING FORMAT (Attachment #3)

Investment manager reports shall include the following:

1. Investment style and benchmark index shall be included on the report cover page.

2. Summary pages containing security summary by sector illustrating Total Cost, Market Value, Percent of Total, and Yield.

3. Sector detail pages containing Security Name, Number of Shares, Unit Cost, Total Cost, Price, Market Value, Percent of Total, Unrealized Gain/Loss, and Yield.

4. A listing of security purchases for the reporting period illustrating the Security Name, Number of Shares, Average Cost, and Total Cost.

5. A listing of security sales for the reporting period illustrating the Security Name, Number of Shares, Average Proceeds, Total Proceeds, Total Cost, and Realized Gain/Loss.

6. Totals, as appropriate.